## BEFORE THE PUBLIC UTILITIES COMMISSION

#### OF THE STATE OF HAWAII

In the Matter of the Application of	)
HAWAIIAN ELECTRIC COMPANY, INC. HAWAI'I ELECTRIC LIGHT COMPANY, INC. MAUI ELECTRIC COMPANY, LIMITED dba HAWAIIAN ELECTRIC	Docket No. 2021-0173 ) ) )
For approval to commit funds in excess of \$2,500,000 for the Public Electric Vehicle Charger Expansion project, to Recover the Capital and Operations and Maintenance Expense Costs through the Exceptional Project Recovery Mechanism, and Related Requests.	ý) ) ) ) ) ) ) ) ) )

### THE HAWAII STATE ENERGY OFFICE'S

### **MOTION TO PARTICIPATE**

#### AND

### **CERTIFICATE OF SERVICE**

CLARE E. CONNORS Attorney General of Hawaii

BRYAN C. YEE
GREGG J. KINKLEY
Deputy Attorneys General
Department of the Attorney General
State of Hawaii
425 Queen Street
Honolulu, Hawaii 96813
Tel. 586-1180
Attorneys for the Hawaii State Energy Office

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\$2,500,000 for the Public Electric Vehicle Charger	)	
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Mechanism, and Related Requests.	)	
	)	
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### THE HAWAII STATE ENERGY OFFICE'S MOTION TO PARTICIPATE

The Hawaii State Energy Office ("State Energy Office" or "SEO"), by and through its Chief Energy Officer ("CEO"), through its Deputy Attorney General, hereby moves to participate in the matter before the Public Utilities Commission ("Commission") or ("PUC") in Docket No. 2021-0173, the Application of Hawaiian Electric Company, Inc., Maui Electric Company, Limited, and Hawaii Electric Light Company, Inc. (hereinafter collectively "Hawaiian Electric" or the "Company") for "approvals necessary to implement a Public Electric Vehicle Charger Expansion Project ("Project") and to recover the Project costs through the Exceptional Project Recovery Mechanism ("EPRM")." Specifically, the Company seeks approval: (1) to

Company Application at 1. The Company's Application is made pursuant to Sections 269-6, 269-7, and 269-16 of Hawaii's Revised Statutes ("HRS"), Sections 16-601-74, and 16-601-86 of the Rules of Practice and Procedure Before the Public Utilities Commission, Title 16, Chapter 601 of the Hawaii Administrative Rules, G.O.7 Paragraph 2.3(g)(2), Decision and Order ("D&O") 18365, D&O No. 34514, issued on April 27, 2017, in Docket No. 2013-0141,

implement the Project at an estimated cost of \$79 million; (2) to commit funds in excess of \$2.5 million for the capital costs of the Project, currently estimated at \$58 million ("Capital Costs") pursuant to Paragraph 2.3(g)(2) of the Commission's General Order No. 7, as modified by D&O No. 21002, filed May 27, 2004 in Docket No. 03-0257 ("G.O.7"); (3) of proposed revised Schedule EV-U tariffs and charging rates and the allowance of the proposed rates to become effective three months after approval of the Project; (4) to terminate Schedule EV-MAUI, while leaving the shared savings mechanism ("SSM") in place for the applicable charging stations installed under EV-MAUI; and (5) of the proposed accounting and ratemaking treatment for the Project, including (i) accrual of an Allowance for Funds Used During Construction ("AFUDC"), as appropriate, (ii) recovery of the Capital Costs, (iii) recovery of the installation and post-installation incremental Operations and Maintenance ("O&M") costs in the year following when costs are incurred, and (iv) to recover total Capital and incremental O&M costs, net of the related EV-U revenues from the Project chargers, through the EPRM established in D&O 37507.<sup>2</sup>

Pursuant to Hawaii Administrative Rules 16-601-57(3)(A), the deadline for any interested person to timely file a motion to participate in this proceeding is twenty (20) days from the date of this Application. The SEO's Motion to Intervene is timely filed. The SEO does not require a hearing on this Motion.

The Company's Application implicates Hawaii's energy and decarbonization goals, statewide energy assurance, as well as associated State policies pertaining to equity,

and D&O No. 37507, issued December 23, 2020, in Docket No. 2018-0088. Company Application at 6.

<sup>&</sup>lt;sup>2</sup> *Id.* at 3-4.

environmental justice, and coordination between the State's energy and transportation policies. In terms of the State's decarbonization goals, the Application observes that ground transportation accounted for 25 percent of total greenhouse gas ("GHG") emissions in the State in 2017, and explains how electric vehicles play a role in reducing these emissions and promoting energy independence by replacing gasoline-powered vehicles.<sup>3</sup> The Application also implicates statewide energy assurance where it asserts the Project qualifies as an eligible project under the EPRM by making it possible to accept more renewable energy;<sup>4</sup> in other words, electric vehicles' storage function promotes harnessing Hawaii's renewable resources. The Application asserts the tariffs it proposes are "designed to be roughly cost-competitive with gasoline and which encourage charging during the middle of the day when solar energy is abundant."<sup>5</sup> In terms of the State's equity goals, the Application focuses on the limited buildout of public fast charger installations in Hawaii, and observes a need to expand electric transportation options to disadvantaged communities impacted by vehicle emissions.<sup>6</sup> The Application envisions deployment of the Project at 75 sites across O'ahu, Hawai'i Island, and Maui County.<sup>7</sup>

The SEO possesses unique expertise, past involvement, and standing on matters related to Hawaii's energy and decarbonization goals, statewide energy assurance, and economic development, as well as associated State policies on equity, environmental justice, and coordination between the State's energy and transportation policies, and is uniquely positioned to provide insight in these respects in this proceeding, as detailed below.

<sup>&</sup>lt;sup>3</sup> Company Application at 8.

<sup>&</sup>lt;sup>4</sup> *Id.* at 36. *Id.* at Exhibit E at 3-4.

<sup>&</sup>lt;sup>5</sup> *Id.* at 3.

<sup>6</sup> *Id.* at 12, 25-26.

<sup>&</sup>lt;sup>7</sup> *Id.* at 30, Table 3.

HRS section 225P-1 provides that to protect the State's economy, environment, health, and way of life, the State will "[m]itigate its greenhouse gas emissions by sequestering more atmospheric carbon and greenhouse gases than the State produces as quickly as practicable, but no later than 2045." In addition, HRS section 225P-5 provides that agency plans, decisions, and strategies shall give consideration to the impact of those plans, decisions, and strategies on the State's ability to achieve these atmospheric carbon and greenhouse gas sequestration mandates.<sup>9</sup>

The SEO's chief energy officer ("CEO") is specifically directed, by statute, to be engaged in discussions such as these at the Public Utilities Commission. Pursuant to HRS section 196-72(d), "[s]ubject to the approval of the governor, the chief energy officer shall: . . . (6) [c]reate and review proposed state actions that may have a significant effect on the State's energy and decarbonization goals, report to the governor their effect on the energy program, and perform other services as may be required; . . . (13) [a]dvocate for the State's energy and decarbonization goals at relevant venues and departments, including but not limited to the public utilities commission, legislature, and division of consumer advocacy, to ensure that state energy policies and regulations align with the state strategic goals and are data-driven." <sup>10</sup>

In relation to electric charging and associated decarbonization, equity, energy security, coordination, and economic development considerations implicated by the Company's Application, HRS section 196-72(d) directs the CEO to: "(3) [p]rovide technical assistance to state and county agencies to assess and implement projects and programs related to energy

<sup>&</sup>lt;sup>8</sup> HRS § 225P-1.

<sup>9</sup> HRS § 225P-5.

<sup>&</sup>lt;sup>10</sup> HRS § 196-72(d).

conservation and efficiency, renewable energy, clean transportation, energy resiliency, and related measures; (4) [c]oordinate the State's energy programs with those of the federal government, other territory and state governments, the political subdivisions of the State, departments of the State, and governments of nations with interest in common energy resources . . . (7) [e]valuate, recommend, and participate in the development of incentives, and programs that encourage the development of energy efficiency, renewable energy, energy resiliency, distributed energy resources, and clean transportation resources; . . . (9) [d]evelop and maintain a comprehensive and systematic quantitative and qualitative capacity to analyze the status of energy resources, systems, and markets, both in-state and in other states and countries, particularly in relation to the State's economy, and to recommend, develop proposals for, and assess the effectiveness of policy and regulatory decisions, and energy emergency planning; ... (10) [d]evelop and recommend programs for, and assist public agencies in the implementation of, energy assurance and energy resilience; . . . (12) [a]ct as the State's energy data clearinghouse by identifying, collecting, compiling, analyzing, publishing, and where possible, monetizing energy and clean transportation data and analyses; ... (14) [s]upport economic development and innovation initiatives related to and resulting from the State's renewable energy and distributed energy resources experience, capabilities, and data analyses; (15) [f]acilitate the efficient, expedited permitting of energy efficiency, renewable energy, clean transportation, and energy resiliency projects by: (A) Coordinating and aligning state and county departments and agencies to support, expedite, and remove barriers to deployment of energy initiatives and projects; and (B) Identify and evaluate conflicting or onerous policies and rules that unreasonably impede project development and deployment and propose regulatory, legislative, administrative, or other solutions to applicable stakeholders [and] (16) [i]dentify and recommend policies to align utility goals with those of ratepayers, including evaluating utility models that best support state energy goals."

The SEO has a clear interest in and will provide value to the proceeding as the advocate for the State's energy and decarbonization goals and statewide energy assurance and therefore seeks to participate in this proceeding pursuant to Hawaii Administrative Rule §16-601-56 on the following grounds.

# 1. Clear and concise statement of the SEO's direct and substantial interest in this docket.

The SEO's CEO is directed, by statute, to advocate for state energy policies at the Public Utilities Commission relating to Hawaii's energy and decarbonization goals, statewide energy assurance, and associated equity and coordination policies, which are central issues impacted by the Application. These obligations, identified in HRS 196-72(d) (3), (4), (6), (7) (9), (10), (12), (13), (14), (15), and (16) provide the SEO's direct and substantial interest in the subject matter of this docket.

The Application purports to further clean transportation, while integrating the State's renewable energy, <sup>11</sup> issues as to which the SEO's CEO has a statutory directive to evaluate and to provide technical assistance to the State. <sup>12</sup> Additionally, as noted above, where the Application states an intent to encourage charging when solar is abundant, <sup>13</sup> and recognizing

See e.g., Company Application at 13-14, 18-19, 23 ("The proposed Project can create access to clean mobility options for underserved communities, provide solutions to help reduce household transportation expenses, and mitigate environmental impact in neighborhoods with higher exposure to air pollutants."), 36 ("...the Company maintains that the Project qualifies as an eligible project under Sections III.B.1(b)(projects that make it possible to accept more renewable energy)...").

<sup>&</sup>lt;sup>12</sup> See HRS 196-72 (d)(3), (7).

Company Application at 3 ("The Company is also proposing revised EV-U tariffs designed to be roughly cost-competitive with gasoline and which encourage charging during the middle of the day when solar is abundant.").

that electric vehicles serve as both a mechanism to store renewable resources' output and to reduce dependence on gasoline, the SEO believes this proceeding implicates energy assurance and energy resilience—areas over which the SEO's CEO has a statutory directive to assist public agencies in implementing related programs.<sup>14</sup>

Further, the Application focuses on the Company's engagement at the community level in order to inform optimal siting of the Project's charging locations. The SEO, given its CEO's coordination role directed by HRS section 169-72, has an interest in the coordination opportunity the Project presents. From a coordination perspective at the national level, the SEO notes the Application implicates issues receiving much attention. The bipartisan infrastructure package that was just signed by the President on November 15, 2021, includes \$5 billion to the state departments of transportation for electric vehicle infrastructure, with an additional \$2.5 billion for alternative fuel infrastructure (via a competitive program) and \$5 billion for zero-emissions schools buses (HR 3684). The pending Build Back Better legislation (HR 5376) includes \$1 billion at this time for state energy offices for electric vehicle infrastructure (\$800 million) and \$200 million for hydrogen infrastructure. While we do not yet know whether the Build Back Better legislation will pass Congress and be signed by the President, we are likely to know before the end of calendar year 2021. It will be critically important for the Hawaii SEO to coordinate with the Company, the Hawaii Department of Transportation, the Counties and all relevant parties to ensure

<sup>&</sup>lt;sup>14</sup> See HRS 196-72 (d)(10).

<sup>15</sup> Company Application at 23-26.

See e.g., HRS 196-72 (d)(4) (directing the CEO to, *inter alia*, "[c]oordinate the State's energy programs with those of the federal government, other territory and state governments, the political subdivisions of the State, departments of the State, and governments of nations with interest in common energy resources . ..").

<sup>&</sup>lt;sup>17</sup> Infrastructure Investment and Jobs Act, Pub. Law No. 117-58 (2021).

that funds are not wasted and address the needs of Hawaii consumers, including low and moderate income consumers and ratepayers. This is a crucial role for the SEO, and no other entity fills that role.

Also implicating the SEO's coordination role, the SEO highlights that the Company "requests flexibility in both the deployment of charging infrastructure as well as in some of the anticipated Project expenses[,]" asserting with respect to siting that flexibility is needed "in determining the configuration of the charging stations to meet the specific needs of each site and community they are serving." Given its CEO's statutory directives to coordinate the State's energy programs, and to help coordinate and align state and county departments to support expedite and remove barriers to project deployment, 19 the SEO's participation in this proceeding is key to ensure the flexibility requested by the Company is properly directed and is not implemented in a manner adverse to state objectives.

Additionally, where the Application asserts it supports economic recovery following the COVID-19 pandemic by expanding clean energy job opportunities and supporting the development of a local workforce, this proceeding implicates SEO's interest in economic development.<sup>20</sup> The SEO's CEO has a statutory obligation to support economic development and innovation initiatives related to and resulting from Hawaii's renewable energy and distributed energy resources experience.<sup>21</sup>

<sup>&</sup>lt;sup>18</sup> Company Application at 28.

<sup>&</sup>lt;sup>19</sup> HRS 196-72 (d) (4), (15).

<sup>&</sup>lt;sup>20</sup> Company Application at 18-19; Company Application at Ex. A at 6.

<sup>&</sup>lt;sup>21</sup> HRS 196-72 (d)(14).

#### 2. SEO's position regarding the matter in controversy.

The SEO has a specific interest in ensuring that the statutory objectives of the State's energy and decarbonization, statewide energy assurance, and economic development, as well as State policies of equity and coordination in furtherance of these objectives, are met. The Application to implement public electric vehicle chargers and to recover associated costs through the EPRM will have an impact on the State's access to clean transportation and the integration of the State's renewable resources, and in turn, implicates the State's energy and decarbonization goals. Further, where it implicates electric vehicles' ability to assist in a transition from gasoline-powered vehicles, the Application could also impact the energy assurance of the State. Finally, where the Application suggests the Project's design and implementation will hinge on community engagement to understand preferred electric vehicle charging locations, the Application presents an opportunity to promote equity and provide benefits in disadvantaged communities.<sup>22</sup>

# 3. The extent to which the participation will not broaden the issues or delay the proceeding.

The SEO does not intend to broaden the issues or delay this proceeding, since to do so would be against its own interests and contrary to its obligations. The SEO's interest is that statutory requirements and state energy policy goals are given due consideration to ensure Hawaii is positioned to achieve the net-negative carbon economy as soon as practicable but not later than 2045.

# 4. The extent to which the SEO's interest will not be represented by existing parties.

The existing parties to this proceeding are the Company and the Consumer Advocate.

<sup>&</sup>lt;sup>22</sup> Company Application at 23-24.

The parties are cognizant of the fact that the interests of the Company and the Consumer Advocate are different and are not perfectly aligned with the interests of the SEO.

The Consumer Advocate may have positions that are similar to some positions of the SEO, but this does not assure adequate protection or representation of the SEO's broader statutory interests of the State's energy and decarbonization policies. The statutory responsibility of the Consumer Advocate under section 269-51, HRS, requires it to "represent, protect, and advance the interest of consumers of utility services" (emphasis added). The SEO's interests go beyond representing only consumers, and as the Consumer Advocate's role is statutorily limited to that group, the Consumer Advocate cannot fully represent the SEO regarding the full range of issues before the Commission in this proceeding, nor should it be expected to do so. Those interests include protecting disadvantaged communities and ensuring broad State decarbonization goals are achieved in a rapid and cost-effective manner without endangering reliability.

# 5. A statement of the expertise, knowledge, or experience that the SEO possesses with regard to the matter in controversy.

The SEO submits that its expertise in energy planning, analysis, and knowledge of energy markets will assist the Commission and the parties in this docket by providing relevant studies, surveys and other information related to institutional, policy, financial, and other issues.

The SEO has taken a leadership role in advancing clean transportation across Hawaii, including facilitating the deployment of zero emission vehicles ("ZEVs") and associated electric vehicle charging and hydrogen infrastructure in an effort to modernize the State's energy system and reduce petroleum consumption and emissions in the transportation sector. In this regard, the SEO works with federal, state and county agencies, energy stakeholders, transportation stakeholders, and the local community to encourage and facilitate adoption of clean transportation.

As an example of the SEO's experience that will allow the SEO to provide insight and analysis

relevant to this proceeding, the SEO is the primary state agency charged with expending and executing Eligible Mitigation Actions funded by the Volkswagen Settlement's Environmental Mitigation Trust. The SEO supports the State's overall goal for the funds, i.e., to support ultimate elimination of Hawaii's dependence on imported fuels in ground transportation, by prioritizing Eligible Mitigation Actions that will make a transformational investment in Hawaii's clean energy economy with special emphasis on projects that facilitate the adoption and deployment of grid-connected electric vehicles. In this regard, the SEO has invested \$8.125 million allocated to Hawaii from the Volkswagen settlement fund to mitigate vehicle emissions through the replacement of medium and heavy duty vehicles, as well as deploy light duty vehicle supply equipment.<sup>23</sup> Other examples of the SEO's successes in clean transportation that will provide relevant background and expertise in this proceeding include the SEO's assistance to the Hawaii Department of Transportation in the procurement of services to provide electric vehicles and charging infrastructure statewide for the creation of a program that could help with the electrification of government fleet vehicles; and the SEO's work with the Hawaii Department of Health in the development and administration of the Vehicle Assistance Program to offer rebates to private and public fleet owners looking to replace older, diesel busses with battery-electric vehicles.<sup>24</sup>

The SEO is also prioritizing the establishment and implementation of an energy ecosystem data governance framework, which facilitates collection, analysis, and open access to quality data pertinent to a decarbonized economy, and these data are used in pertinent part to monitor and track progress towards state energy and climate goals, as well as objectives such as the conversion of medium- and heavy-duty vehicles.<sup>25</sup> The SEO has also led the effort for Hawaii to join with 14 other states and

Hawaii State Energy Office Annual Report 2020 at 7, accessible at: <a href="https://energy.hawaii.gov/wp-content/uploads/2021/01/HSEO\_2020\_Annual\_Report.pdf">https://energy.hawaii.gov/wp-content/uploads/2021/01/HSEO\_2020\_Annual\_Report.pdf</a>

<sup>&</sup>lt;sup>24</sup> *Id.* at 7, 32.

<sup>&</sup>lt;sup>25</sup> *Id.* at 8.

Washington D.C. in signing the Multi-State Zero Emission Medium- and Heavy-Duty Vehicle Memorandum of Understanding ("MDHD MOU"), which facilitates the growth of the MDHD ZEV market.<sup>26</sup> Furthermore, the SEO has also worked on designating clean transportation corridors coordinated as relevant with sister agencies at the state and county level and transportation stakeholders.<sup>27</sup>

SEO is also the primary and coordinating agency for State Emergency Support Function#12 - Energy ("SESF #12"), which provides unique insights into the logistical challenges of energy supply throughout the State. Furthermore, the SEO is statutorily tasked with, and the CEO is responsible for, advocating for Hawaii's energy and decarbonization goals and statewide energy assurance at relevant venues and departments, including but not limited to the public utilities commission.

To supplement its internal resources and expertise, the SEO may contract for or seek additional expertise as needed.

# 6. Whether the SEO can aid the Commission by submitting an affirmative case.

Given the totality of the circumstances, and with due regard to the issues that will be addressed in this proceeding, the SEO concludes that it has both unique and important information and arguments to offer in this docket. The SEO has taken a leadership role in advancing clean transportation across Hawaii, including facilitating the deployment of ZEVs and associated electric vehicle charging and hydrogen infrastructure in an effort to modernize the State's energy system and reduce petroleum consumption and emissions in the transportation sector. The SEO also has experience coordinating with federal, state and county agencies, energy stakeholders, transportation stakeholders, and the local community to encourage and facilitate adoption of clean

<sup>&</sup>lt;sup>26</sup> *Id.* at 16.

<sup>&</sup>lt;sup>27</sup> *Id.* at 16, 52.

transportation. As statutorily directed through HRS section 196-72, the CEO has a unique role

in assisting the State with clean transportation data and analysis. 28 For example, as noted above,

the SEO is prioritizing the establishment and implementation of an energy ecosystem data

governance framework, using data to monitor and track progress towards state energy and climate

goals.<sup>29</sup> Accordingly, the SEO's perspective will provide insight on this proceeding concerning

the Public Electric Vehicle Charger Expansion Project and potential cascading impacts, and the

SEO's insights will be relevant from both a decarbonization and data-driven perspective.

7. A statement of the relief desired.

The Application should be assessed in terms of Hawaii's decarbonization and energy

assurance objectives, and associated goals of ensuring energy security, coordination, and equity,

and economic development. The program implemented as a result of this proceeding must be done

in conjunction with other State objectives and funding. Therefore, the SEO respectfully requests

that it be granted status as a participant in this proceeding so that it may provide support in this

matter related to its statutory obligations.

DATED: Honolulu, Hawaii, November 17, 2021.

Chief Energy Officer

Hawaii State Energy Office

See HRS 196-72 (d)(12), (13), (14).

Id. at 8.

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#### **CERTIFICATE OF SERVICE**

I hereby certify that I have this date served an electronic copy of the foregoing Motion

To Participate by the Hawaii State Energy Office in PUC Docket Number 2021-0173, upon the

PUC, as well as the following parties, by electronic mail service:

DEAN K. NISHINA
EXECUTIVE DIRECTOR
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
DIVISION OF CONSUMER ADVOCACY
P.O. Box 541
Honolulu, HI 96809

dnishina@dcca.hawaii.gov consumeradvocate@dcca.hawaii.gov

KEVIN M. KATSURA MANAGER, REGULATORY NON-RATE PROCEEDINGS HAWAIIAN ELECTRIC COMPANY, INC. P.O. Box 2750 Honolulu, HI 96840-0001 kevin.katsura@hawaiianelectric.com regulatory@hawaiianelectric.com

Gregg J. Kinkley

Deputy Attorney General, representing Hawaii State Energy Office

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